

105TH CONGRESS
1ST SESSION

S. 427

To amend the Internal Revenue Code of 1986 to restore the deduction for lobbying expenses in connection with State legislation.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 1997

Mr. THOMAS (for himself and Mr. SHELBY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to restore the deduction for lobbying expenses in connection with State legislation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. RESTORATION OF DEDUCTION FOR LOBBYING**
4 **EXPENSES IN CONNECTION WITH STATE LEG-**
5 **ISLATION.**

6 (a) IN GENERAL.—Paragraph (2) of section 162(e)
7 of the Internal Revenue Code of 1986 (relating to denial
8 of deduction for certain lobbying and political activities)
9 is amended—

1 (1) by inserting “any State legislature or of”
2 before “any local council” in the material preceding
3 subparagraph (A), and

4 (2) by striking “such council” in subparagraph
5 (B)(i) and inserting “such legislature, council,”.

6 (b) CLERICAL AMENDMENT.—The paragraph head-
7 ing of paragraph (2) of section 162(e) of such Code is
8 amended by inserting “STATE OR” before “LOCAL”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to amounts paid or incurred after
11 the date of the enactment of this Act.

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